

**Statement of James R. Little**  
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**Before the Subcommittee on Forestry, Conservation, and Rural Revitalization**  
**Senate Committee on Agriculture, Nutrition & Forestry**  
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**INTRODUCTION**

Mr. Chairman and Members of the Committee, thank you for the opportunity to appear before you today to discuss the Conservation Reserve Program. CRP is the nation's largest private lands conservation program designed to help our nation's farmers and ranchers safeguard environmentally sensitive land. Producers enrolled in CRP plant long-term, resource-conserving vegetative covers to improve the quality of water, control soil erosion, and enhance wildlife habitat. In return, the Farm Service Agency (FSA) provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years.

The President supported and welcomed a strong conservation title in the 2002 Farm Bill, and has stated that for farmers and landowners, "... every day is Earth Day" – and that effective conservation programs enable us to be better stewards of our nation's natural resources. The Farm Bill responded to a broad range of emerging conservation challenges faced by our farmers and ranchers, including soil erosion, wetlands conservation, water quality and quantity, and wildlife habitat improvement. I want to thank Members of this Subcommittee for their continued strong support of working farm conservation.

**OVERVIEW**

The Conservation Reserve Program is a voluntary program for agricultural landowners that provides annual rental payments and cost-share assistance to establish long-term, resource-conserving covers on eligible farmland. The program has multiple options for restoring and protecting highly erodible land, wetland acres, and other land, and it establishes permanent covers on eligible environmentally sensitive cropland and marginal pasture land through long-term rental contracts with agricultural landowners. CRP assists private landowners with a portfolio of voluntary assistance, including cost-share assistance, land rental payments, incentive payments, and technical assistance.

When the program was first authorized in 1985, CRP enrolled land under a "general" signup where all or almost all eligible acres offered for enrollment were accepted to assist with erosion and supply control goals. After the 1990 Farm Bill, however, emphasis shifted to protecting more environmentally sensitive land, leading the agency to develop an "Environmental Benefits Index" or "EBI" to evaluate the environmental benefits, as well as cost for enrolling land into the program.

Most land enrolled in the program today is accepted under this competitive evaluation which considers cost and a number of environmental factors, including wildlife, water quality, soil erosion, air quality, and enduring conservation practices. The EBI is an efficient tool that ranks offers on these five environmental criteria and encourages producers to maximize the environmental benefits derived from enrolling land into CRP.

The environmental benefits originally used for the EBI mirrored the 1990 Act's provision to consider soil erosion, water quality, wildlife benefits, and other environmental benefits. However, USDA considered those offers under procedures where it was not obvious how the offers were considered or how producers could maximize their chances for acceptance.

Beginning with the 1996 Farm Bill, the EBI was re-engineered to use published environmental criteria including wildlife habitat, water quality, soil erosion, enduring benefits, air quality, and priority areas.

Since then, the EBI has been further refined to be a better targeting tool; however, the underlying factors have been consistent. Minor modifications have been made to the EBI for each signup.

Over time, CRP established a non-competitive "continuous" signup option. Under continuous signup, environmentally-desirable land devoted to certain conservation practices may be enrolled in CRP at any time. Offers are automatically accepted provided the land and producer meet eligibility requirements. Continuous sign-up contracts are also 10 to 15 years in duration. Currently, there are over 3 million acres enrolled in continuous signup.

The Conservation Reserve Enhancement Program – or CREP – is also an important subset of CRP. CREP uses unique State, federal, and private partnerships that allow participants to receive incentive payments for installing specific targeted conservation practices. Through CREP, producers can receive annual rental payments and cost-share assistance to establish long-term, resource-conserving covers on eligible land.

Nationwide, close to 670,000 acres are enrolled in CREP, including about 90,000 wetland and buffer acres. This is an extremely popular program that targets state-specific environmental issues which I will discuss briefly in a moment.

CRP does address important water quality issues, habitat restoration issues for at-risk species, and air quality issues. Over 800,000 farmers and ranchers throughout the country have enrolled 35 million acres nationwide through general signups, continuous signups, the Farmable Wetlands Program, CREP, and other special initiatives. I have included a chart for the record to show where these acres are currently located.

The program produces widespread environmental, wildlife, and economic benefits. For example, CRP has helped to reduce soil erosion by over 450 million tons per year. This erosion reduction improves air quality and reduces sediment and nutrient loadings in streams and rivers in communities across the country.

The wildlife benefits generated by CRP are significant. The U.S. Fish and Wildlife Service has estimated that CRP has increased duck numbers by over 2 million per year; doubled ring-necked pheasant populations in Minnesota, North Dakota, South Dakota, and Ohio, and tripled pheasant harvest in Montana. It has also helped to increase the grasshopper sparrow, lark bunting, and eastern meadowlark populations. And it has been credited with the re-appearance of the long-absent prairie chickens in Texas. It is also credited with the recovery of the Columbian sharp-tailed grouse, new habitat in the Northern Great Plains in use by 75 different species of birds, and notable increases in Western State populations of big game such as elk, mule deer, white-tailed deer, and pronghorn antelope.

One of the most beneficial elements of the program is CREP. During the last year alone FSA has implemented four significant CREPS – in Ohio, Minnesota, Louisiana and Nebraska, providing tremendous state-specific and local environmental benefits. I am especially proud of the benefits that will result from our recent water conservation CREP in Nebraska. This agreement can be considered a model on how to address critical water shortage issues, especially those that plague much of the Great Plains and the West. By partnering with the State of Nebraska, landowners, and other private environmental and wildlife groups, FSA will provide over 125,000 acre-feet per year of additional in-stream water for public use when the CREP is fully implemented. In addition, a local fishery will be protected.

## **RECENT INITIATIVES**

### **General Signup**

FSA conducted a general signup in 2004 soon after the President's August announcement. The Agency accepted about 1.2 million acres using the competitive EBI which ranks all offers under a number of environmental criteria and cost. Most of these contracts will become effective on October 1, 2005. With this acreage, we estimate that 36 million acres will be enrolled as of October 1, 2005.

As I have mentioned, CRP enrollment authority is 39.2 million acres and enrolling these 1.2 million acres underscored President Bush's commitment to full enrollment of CRP and to strong conservation on working farms. Our next general signup is scheduled for next fiscal year.

### **Northern Bobwhite Quail Initiative**

As I mentioned previously, on August 4, 2004, President Bush also announced the Northern Bobwhite Quail Initiative to increase the population of northern bobwhite quail by 750,000 birds annually with enrollment of 250,000 acres of additional grass buffers on working farms. FSA began accepting offers in October 2004 and over 48,000 acres have been enrolled in less than a year.

Northern bobwhite quail are a native quail species with an historic range in 35 states. The birds are a valued inhabitant of farm landscapes, an important aspect of rural culture, and are key to the heritage of hunting. However, the Bobwhite quail population has declined from an estimated 59 million birds in 1980 to about 20 million in 1999. Their habitats have disappeared due to urbanization, increased grassland cultivation, and a transition of once grass-covered fields into woods and forests.

This initiative partners FSA with landowners, the U.S. Fish and Wildlife Service, 32 State fish and wildlife agencies, Quail Unlimited, the Southeast Quail Study Group, Pheasants Forever, Ducks Unlimited, the National Wild Turkey Federation, and other conservation groups including local conservation districts.

### **Non-floodplain Wetlands Restoration Initiative**

The CRP is an integral part of our Nation's effort to protect and restore our Nation's wetlands. On Earth Day 2004, President Bush announced that for the first time more wetlands were restored and created than had been lost on agricultural lands. The President's statement can be found at: <http://www.whitehouse.gov/news/releases/2004/04/20040422-4.html>. CRP, along with the Natural Resources Conservation Service's Wetland Reserve Program, is vital to the protection of wetlands. Through CRP alone, over 1.9 million acres of wetlands and adjacent buffers have been enrolled. Following this Earth Day announcement, on August 4, 2004, the President also announced the Non-floodplain Wetlands Restoration Initiative which aims to restore up to 250,000 acres of wetlands and playa lakes that are located outside of the 100-year floodplain.

### **Additional CRP Targets**

Of the 39.2-million-acre CRP cap, FSA also reserves acreage for other continuing CRP initiatives that target the most pressing environmental needs. The initiatives are:

- Up-to 4 million acres for CRP continuous sign-up which protects the most environmentally-sensitive land. Sign-up for filter strips, riparian buffers, other wetlands, and other practices is on a continuous basis, meaning eligible land may be enrolled at any time without competition. There are 3.0 million acres enrolled as of June 2005;
- Up-to 500,000 acres for bottomland hardwood tree planting to help sequester greenhouse gases, improve water quality and restore wildlife habitat. Sign-up for

this initiative is also on a continuous basis. There are over 11,000 acres enrolled as of June 2005;

- Up-to 1.7 million acres for the CREP. As I mentioned before, CREP is a federal-State partnership to target additional resources in defined geographic areas to achieve specific environmental goals, including protecting New York City's drinking water supply, protecting endangered salmon habitat in the Pacific Northwest, improving the water quality of the Chesapeake Bay and achieving water conservation in Nebraska. There are 34 agreements in 27 States committing over 1 million acres with contributions from State governments and others targeted to local environmental needs; and
- Up-to 1 million acres for the Farmable Wetlands Program to protect certain farmed and prior converted wetlands. There are almost 130,000 acres enrolled as of June 2005.

## **Modernization**

FSA is embarking on a modernization effort to provide enhanced, more effective service to America's farmers and ranchers. A critical component of this effort involves re-tooling the information technology that is used to deliver all of our programs. FSA is committed to replacing the current systems that limit the abilities of our customers to access farm programs as well as the ability of our employees to assist all of our customers.

Under our modernization efforts, FSA has begun to use current, industry-standard technology to enable "real-time" connectivity between national, state and county offices. The agency has leveraged existing investments in web-based technology and the Geographic Information System to deliver tools for our employees to use in delivering CRP signup. Using this technology allowed the last general signup to be implemented more quickly, with higher quality control, and more efficiently than any previously. FSA is currently working to integrate these technologies into the entire system to achieve significant cost savings in future technical assistance requirements.

As we approach the 20<sup>th</sup> anniversary of the program there are a number of accomplishments that we are very proud of:

- 450 million tons of erosion reduction per year
- 1.9 million acres of wetland restoration and adjacent buffers
- 48 million metric tons of carbon dioxide reduction
- 170,000 stream miles protected
- protection of water supplies for New York City, Columbus, Ohio, Raleigh, North Carolina and over 40 rural towns in Missouri through CREP agreements
- An additional \$1 billion of State and Private conservation contributions to implement CREP agreements
- An additional 2.2 million ducks per year produced on CRP lands in the Prairie Pothole Region

- 34 CREP agreements executed.

## **THE FUTURE OF CRP**

In June 2004, FSA and the U.S. Geological Survey hosted over 40 speakers from academia, government agencies, and diverse interest groups for an open exchange of ideas on optimizing the benefits of CRP. The conference featured remarks from top CRP program managers, scientists, and technicians and other stakeholders on a wide variety of topics related to improving and refining the future management of CRP. Knowledge gathered at the conference will inform producers, legislators, budget overseers, and other decision-makers on how best to manage the nation's largest environmental improvement program. Copies of the proceedings are available for Members' review.

One of the most important management issues is how to address the large number of CRP acres that will expire between now and 2010. Of the 35 million acres currently enrolled in the CRP, 16 million acres are scheduled to expire in 2007. Another 6 million contract acres would follow in 2008, 4 million in 2009, and 2 million in 2010. These expiring CRP acres represent over 70 percent of the total 39.2 million acres authorized by the 2002 Farm Bill. I have attached a chart that demonstrates the location and concentration of the contract acres that will be expiring, as well as a graph that indicates when the acres will be expiring.

Last August, at the Katzenmeyer Farm in Minnesota, President Bush announced that the Department of Agriculture would be offering re-enrollments and extensions on the 28 million acres expiring between now and 2010. The President directed the Secretary of Agriculture to initiate a plan for maintaining and enhancing the benefits of the CRP in the future. The President also announced a general CRP signup, a Northern Bobwhite Quail Initiative to strengthen wildlife habitat, and a wetlands and Playa Lakes restoration initiative.

The Farm Service Agency, working closely with private landowners, farmers, commodity groups, sportsmen, wildlife groups, conservation leaders, communities, other agencies, and other interested individuals have made impressive progress in meeting the President's challenge and implementing his initiatives.

### **Re-enrollments and Extensions**

In response to the President's commitment, last fall FSA issued a request for public comment in the Federal Register on how re-enrollments and extensions should be administered as well as other CRP-related issues. Over the course of four months, FSA received over 5,000 comments – more comments than had been received on any other CRP issue in its history. About 70 percent of the comments were from individuals with the remainder about equally divided between Federal, State, and local government agencies and non-government organizations.

Broad support was expressed for re-enrollments and extensions, although there were many and varied comments about the best way to implement both. For example, many proposed an automatic renewal while others discussed using certain competitive factors and adjusting rental rates. Others commented on the existing \$50,000 “per person” payment limitation, contract length, and the use of Geographic Information System technology.

FSA also held a public meeting in June, 2005 to obtain additional input on how to best administer re-enrollments and extensions. The meeting generated additional comments on the future direction of CRP enrollment as to whether we should:

- Use a competitive offer process to re-enroll land;
- Automatically re-enroll the land in existing contracts without competition;
- Only re-enroll land with proven benefits or that is environmentally sensitive;
- Use the EBI to target land to be re-enrolled;
- Treat soil erosion, water quality, and wildlife habitat equally; and
- Adjust rental rates to reflect local market values.

FSA is reviewing and analyzing all public comments and expects to announce policies and procedures governing CRP re-enrollment and extensions later this year.

Generally, we see the decision points revolving around several key questions:

- Should expiring acres be re-enrolled automatically, without consideration for their environmental benefits? If not, how should USDA prioritize acres to offer contract re-enrollment opportunities?
- Should existing acres be extended automatically, without consideration for their environmental benefits? If so, for how long? If not, how should USDA prioritize acres to offer contract extension opportunities?
- Should considerations be made for whole field or whole farm re-enrollments and/or extensions?
- Should re-enrollments and/or extensions be required to undergo compliance reviews?
- Should special provisions be made for existing well-established mono-culture conservation covers?

## **CONCLUSION**

The Conservation Reserve Program is the premiere private land conservation program in history, and I am pleased that the Farm Service Agency and other USDA agencies and our partners have helped the Nation’s farmers and ranchers’ make the program a success. The positive benefits the program has provided clearly show CRP has had significant positive impact on the environment—on water and air quality, wildlife, and soil erosion. Our plans for the future, especially on how to re-enroll and extend expiring contract acres

from 2007 through 2010, need to continue and enhance the extraordinary benefits this program has always provided.

For the Committee's information, I have attached detailed CRP performance data. This concludes my statement. I will be glad to answer any questions that Members of the Subcommittee might have.